

**HOLLAND****City****2006 SCORE: 5**

MuniCode: 70-2-040

INDICATOR	DESCRIPTION	YEAR	CATEGORY	Score	
Population Growth	This first indicator measures population change. If a unit lost population, then it scores a 1, otherwise it is assigned a 0. The estimates provided are from the U.S. Census Bureau. Note that the values for Year 2000 are not estimates but taken from the Census that year.	2006 2000	Population Population	34245 35048	1
Real Taxable Value Growth <i>1.090588699</i>	Two-year growth periods of real taxable value for each unit are computed. Units score a 1 if they demonstrate negative real growth, and a 0 if they exhibit positive real growth. To compute real taxable value, the current year taxable value is divided by the adjusted deflator indicated to the left.	2006 2004	Taxable Value Real Taxable Value Taxable Value	\$959,253,733.00 \$879,574,246.35 \$890,770,685.00	1
Large Real Taxable Value Decrease	This indicator uses the same data and time lag as indicator 2. The only difference is that a different standard is used. For this indicator, units measuring less than -0.04 receive a 1 and others are marked 0.	2006 2004	Taxable Value Real Taxable Value Taxable Value Standard	\$959,253,733.00 \$879,574,246.35 \$890,770,685.00 -0.01257	0
General Fund Expenditures as a Percent of Taxable Value	This indicator has no time lag and deals solely with data from within the same year. To compute this variable, general fund expenditures are divided by taxable value. This is the only variable for which separate standards are used. A standard of 0.05 is used for cities and villages and 0.01 for townships and counties. Units with ratios above the standard receive a 1 and those below score a 0.	2006 2006	General Fund Expenditure Taxable Value Standard	\$18,971,048.00 \$959,253,733.00 0.01978	0
General Fund Operating Deficit	This variable is computed by subtracting general fund revenues from general fund expenditures for a given year. This figure is then divided by general fund revenue. If the number that results is less than -0.01, this indicates a unit has a nontrivial operating deficit and this unit received a score of 1. If the unit does not have a general fund operating deficit, or if this deficit is trivial, the unit is given a 0.	2006	General Fund Expenditure General Fund Revenue	\$18,971,048.00 \$16,872,217.00 -0.12	1
Prior General Fund Operating Deficits	This indicator captures whether a unit had an operating deficit in the past two years. A score of 1 is assigned for each prior year in which an operating deficit had occurred.	2005 2004	General Fund Expenditure General Fund Revenue General Fund Expenditure General Fund Revenue	\$18,563,547.00 \$16,600,802.00 \$18,040,202.00 \$15,956,727.00	1 1
Size of General Fund Balance	The actual variable constructed for this indicator is the general fund balance as a proportion of general fund revenue. If a unit maintains a general fund balance less than 13 percent of its general fund revenue, it scores a 1. Conversely a general fund balance above the 0.13 level scores a 0.	2006	General Fund Balance General Fund Revenue	\$2,542,624.00 \$16,872,217.00 0.15	0
Fund Deficits in Current or Previous Year	If there are any fund deficits in one or more of the unit's unreserved major fund balances the unit scores a one, otherwise is scores a zero.	2006 2005	Major Fund Deficit Major Fund Deficit	\$0.00 <input type="checkbox"/> \$0.00 <input type="checkbox"/>	0
General Long-Term Debt as a Percent of Taxable Value	This variable is constructed by taking general long-term debt and dividing it by the taxable value of the unit. Any unit with a debt to taxable value ratio above 6 percent is scored a 1 and those beneath it a 0.	2006	General Long Term Debt Taxable Value	\$34,296,126.00 \$959,253,733.00 0.04	0

Holland has a longstanding history of annual transfers from its electric utility fund as provided by the city charter. Those budgeted annual transfers amount to approximately 10% of General Fund Revenues. Because municipal electric utility revenues are treated as inter-fund transfers not typical revenues for accounting purposes, Holland's General Fund showed Operating Deficits for the years 2004-2006. Three of the five points assigned to Holland were a result of those General Fund Operating Deficits.

1. The City of Holland has a 12.2% fund balance in its General Fund.
2. The City of Holland has an additional Budget Stabilization Fund of 7.3%.
3. The City of Holland has self-funded insurance (building, health, liability, and vehicles) with strong fund balances.
4. The City of Holland has no debt/leases on any vehicles including fire equipment.
5. The City of Holland has minimal Other Post Employment Benefit (OPEB) liabilities.
6. The City of Holland has very low health insurance costs with its pension obligations well under control.
7. The City of Holland has room under its millage cap to levy additional taxes without voter approval.

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The City of Holland has provided the additional information above. The Department of Treasury does not attest to its accuracy nor provide an opinion regarding the effect it may have on the fiscal indicator score for the City.